



SHARPE JAMES

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NEWARK, NEW JERSEY
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Mr. Robert O'Brien
Publisher
New Jersey Success
1138 North Broad Street
Hillside, New Jersey 07205

Dear Mr. O'Brien:

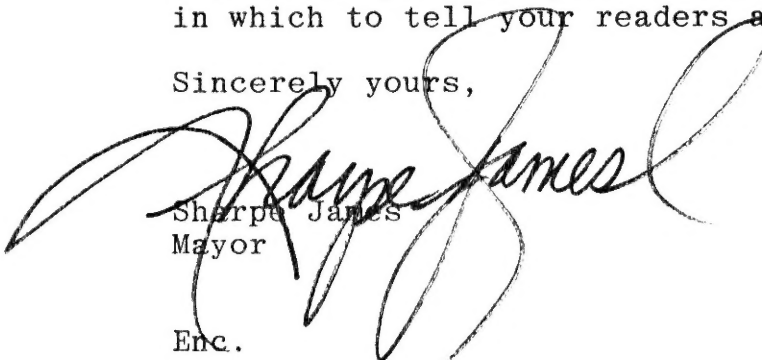
Thank you for affording me the opportunity to express my views about the City of Newark and its future in 1988 in your upcoming "Economic Forecast" issue of **Success Magazine**.

I have enclosed a statement detailing the growth and progress we have experienced in the last 16 months, and what we foresee in the years ahead.

Included also is a photograph and copy of my biography for your information.

I look forward to reading this special issue of **Success**, and thank you and your staff for giving me this forum in which to tell your readers about the City of Newark.

Sincerely yours,


Sharpe James
Mayor

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REVITALIZATION INCREASES AS NEWARK'S SECRET GETS OUT

by SHARPE JAMES

Revitalization efforts are flourishing at an accelerated pace in New Jersey's largest city as growing numbers of investors, developers, potential home buyers and business entrepreneurs all focusing their attention on Newark.

Throughout 1987, light industrial development continued to surge, strengthening the city's position as one of the Northeast's major production centers. The high cost of renting space or buying land in industrial areas of New York has prompted many manufacturers, printers, food processors and various light industries to turn their sights on Newark.

Just a glance at our top ten relocations in the past year reveals an impressive list of industries including Hopp Press, Inc. , a 93-year-old New York printing company moving its 120-employee operation into an 80,000-square-foot facility at the New Jersey Economic Development Authority's (NJEDA) Airport Industrial Center; and Display Die Cutting of New York, which is also moving its manufacturing and printing operation to a four-story 166,000 square foot space at the same site.

A leather and accessories manufacturer from New York/Hoboken, Handcraft Manufacturing Corp., Personality Handkerchiefs Corp., Durite Leather Goods Co., Inc., also is relocating its 375 employees to a 160,000-square-foot facility at the airport center.

Other companies leaving New York for Newark include: Diamond Case, a toll hopper/luggage manufacturing firm; Fabian Formals, a formal wear manufacturer; Accurate Envelope, a New York printer; and Armak Corp., a New York warehousing business for major department stores.

At the same time, longstanding industries have made their choice to stay in Newark and expand operations rather than move to the suburbs away from their labor force, customers, suppliers and transportation services.

This internal industrial growth has been nearly as impressive as the relocations. Cohen's Famous Frozen Foods, Inc., a family-owned hors d'oeuvres manufacturer added more than 100 employees to its current 100-plus-employee payroll, while Kohler Delicatessen Meats, Inc., increased job positions by 70 in their new refrigerated facility in the Ironbound.

A landmark Newark jewelry firm, Krementz & Co., added 160,000 feet to its South Broad Street facilities and New Communities Industrial Development Corp. is building a new 30,000 square foot refrigerated facility for Martins Ice Cream in the city's University Heights section.

Numerous other firms are enlarging or relocating within the city including Central Paper Company which is leasing 110,000 square feet in a new 250,000 square foot industrial park being built by Mountain Development Corp. of West Paterson.

During 1987, two major industrial projects came closer to fruition. One, the South Ward Industrial Park, is a joint venture between the City of Newark and the Port Authority of New York and New Jersey to develop a 500,000 square foot industrial park on 18 acres in the city's Clinton Hill neighborhood. The project is expected to generate \$25 million in private investment, 700 construction jobs and a minimum of 500 new permanent jobs. Construction on the first 108,000 square foot building by the Port Authority is expected to begin in March 1988.

The other project, Waverly Yards, entails a two million square foot industrial/commercial project located at Haynes Avenue and Routes 1 and 9 across from Newark International Airport to be built by Hartz Mountain Industries of Secaucus.

This extraordinary demand for industrial space in Newark has been fueled by a myriad of non-economic factors. The city's location as the hub of an unparalleled transportation network has been its prime asset, and industry has been quick to recognize it. The availability of skilled and unskilled labor, vacant and accessible property, built-in infrastructure, and a favorable business climate have made Newark the city of choice for industry. The demand for industrial space in 1987 has exceeded the supply by more than 10 to 1!

The economics of doing business in Newark also is attractive to industry.

The City of Newark through the Economic Development Corporation (NEDC) has been the state's most successful sponsor of industrial projects applying for financing under the Local Development Financing Fund (LDFF). LDFF is a state program which provides permanent, subordinate, low-interest financing for job-intensive industrial and commercial projects. NEDC has sponsored 22 successful projects since the program began in 1985, (including nine in 1987) receiving more than \$5.9 million from LDFF, leveraging more than \$21.7 million in private investment, and creating nearly 1,200 new permanent jobs.

The Newark Urban Enterprise Zone is among the most successful in the state. Over 600 companies have been certified to receive benefits ranging from sales tax exemptions to income tax credits for the hiring of new employees. Moreover, the City's judicious use of tax abatement, which keeps taxes on new or expanded facilities in line and under control, has enabled many Newark industries to remain competitive with suburban locations.

Taken together, the economic advantages and other amenities of a Newark location have enabled light industry to flourish in the city. The industrial relocations and expansions have meant more than ratables and new jobs. They affirm that we have turned the corner in fostering a positive attitude towards development in the city. Despite upheavals in the manufacturing sector, continuing technological evolution, changing consumer and business preferences, and changes in government and laws, Newark's location and amenities continue to attract light industry, and the city's growth prospects remain strong.

Industrial relocations to Newark support the strength of Newark's market, and highlight the broad base of demand for the city's industrial space.

In 1987, first-year economic development projects represent over five million square feet of new space, with a price tag of over \$200 million. Housing starts total 2,000 units with a development value in excess of \$160 million.

The latter includes the \$60-million-plus construction of more than 700 townhouse units by K. Hovnanian Companies in the city's University Heights area, plus 40 condominiums undertaken by a minority developer, Vogue Housing.

In the South Ward over 200 units of rental housing are being rehabilitated by William Johnson, a local minority developer, while additional housing construction is ongoing in neighborhoods throughout the city.

Pending and executed Regional Contribution Agreements (RCA's) between Newark and suburban communities, created under the Fair Housing Act, which followed the State Supreme Court's Mount Laurel decision, account for over \$6 million in housing subsidies. These subsidies will provide the means for community groups and developers to build affordable housing for low and moderate income constituents.

Thus, while market rate housing is being constructed throughout the city, low income housing is also being built. This has enabled Newark to avoid the gentrification tag that is plaguing so many other urban areas.

I am quite proud to say that 1987 has been a very successful year for industrial, commercial and residential growth in the city. The booming North Jersey economy should continue to fuel Newark's growth in 1988, and city government stands ready to assist in this continued residential and commercial boom.

Until recently the attitude in Newark was one of survival, but now we feel the strong spirit of success. Votes of confidence in our future are being cast not only by the many agencies and institutions that have been here for years, but also by businesses large and small and homeseekers who have been priced out of the New York market.

It is hard for me to restrain my optimism for Newark's future when I see a steady stream of investors, with blueprints in hand, beating a path to my door to discuss major new development possibilities. They all want to be part of what I have often called "the best kept secret in America--Newark, New Jersey--a center for progress and profit in the Garden State!

We cannot keep this secret much longer. Too many people are finding out about Newark, and the competition is forcing up the prices we can collect on abandoned buildings and vacant land--property we could not give away just 10 years ago.

As we look toward the 21st century, we can see now the foundation of Newark's future. The framework is rising on every other corner in downtown Newark.

The fourth office building and the second garage in the Gateway complex are nearing completion. Nearby, the old Newark News building is being transformed into luxury condominiums, and the old Central Railroad Station into a shopping mall. I have seen the plans for even more dramatic achievements for the coming years--most notably a \$200 million performing arts center to be built by state and private firms in the heart of Newark.

Our city's upsurge has been underscored not only by the State's selection of downtown Newark for this arts complex, which will rival Lincoln Center, but also by **Money Magazine's** ranking of Newark among the top 25 percent of the 300 most desirable cities in America to live.

Newark is moving upward to reclaim its rightful rank as New Jersey's premier center of finance, commerce, transportation, trade, learning and culture. Fortunately, it is not too late for farsighted investors to become partners in our ascent.